

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

L
R88G
1939

RURAL ELECTRIFICATION ADMINISTRATION
Library

A Guide

FOR MEMBERS OF



RURAL ELECTRIFICATION ADMINISTRATION
Library

COOPERATIVES

RURAL ELECTRIFICATION ADMINISTRATION
U. S. DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C.



UNITED STATES
DEPARTMENT OF AGRICULTURE
LIBRARY



BOOK NUMBER

1

R88G

1939

A Guide

FOR MEMBERS OF



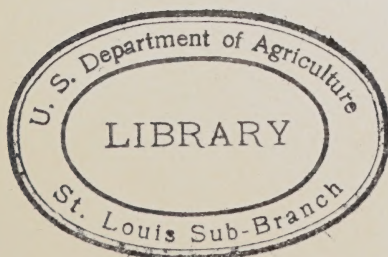
COOPERATIVES

RURAL ELECTRIFICATION ADMINISTRATION

U. S. DEPARTMENT OF AGRICULTURE

WASHINGTON, D. C.

SEPTEMBER 1939



A Guide

TO MEMBERS OF

1

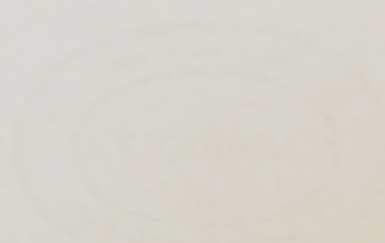
R88G

COOPERATIVE

THE NATIONAL ASSOCIATION OF

COOPERATIVE SOCIETIES

OF THE UNITED STATES



CONTENTS

	Page
A Message From the Secretary of Agriculture	5
REA Helps Farmers to Help Themselves	9
Some Facts About Farmers' Co-ops	13
Some Facts About Electric Co-ops	14
Benefits of Rural Electrification	17
Cooperative Principles	18
Open Membership	19
Democratic Control	22
No Profits to Investors	24
All Gains to Users	24
Cash Business Only	25
Education	26
Bylaws	27
Rights of Members	28
About Directors (Trustees)	29
The Management	30
Uses of Electricity	31
Cost of Operating Electric Appliances	33
A Few Simple Safety Rules	39
Wiring and Appliance Loans	40
How Members Can Help	41
Rural Electrification Act of 1936	43

A MESSAGE
FROM THE SECRETARY OF AGRICULTURE

To All Members of REA Cooperatives:

Light and power—clean, safe, dependable—at the flip of a switch! Yours, at last, through cooperative effort.

You waited in vain, some of you for many years, for the private utilities to bring electricity to your farms. Now, cooperating with your neighbors and with your Government, you have found a way to do the job yourselves. You have decided to build and operate your own cooperative electric distribution system. Your sole purpose is to serve yourselves, the cooperative members, at cost.

The welfare of the rural population is of great concern to the Nation as a whole. To increase rural welfare, through rural electrification, your Government has gone into a kind of partnership with you. The partnership may look one-sided at first glance. Through REA, the Government supplies all the capital and provides also expert advice and guidance. The only thing expected in return is that you pay back this capital in the course of time, with very low interest and without any profit. You and your fellow members incur no financial risk. Gradually you acquire ownership of your REA cooperatives.

However, the partnership is not really one-sided. Your representatives in Congress knew that thousands upon thousands of farm people would never live to see their homes and farms electrified unless they

authorized a co-ordinated Governmental program to aid in rural electrification. But the Congress intended to give only aid, not donations. The Rural Electrification Act of 1936 provides that rural electrification must be carried out on a self-liquidating basis. It must pay its own way. Your responsibility in this partnership is to see that your project does pay its own way. It is a responsibility which farm people of the United States, I know, will take seriously. But it is not an onerous responsibility. The members of cooperatives which cooperate wholeheartedly with REA will not find it difficult to discharge their obligation to the Government.

Do not let anyone tell you that your cooperative will fail. Or that the Government will have to take it over in a short time and will be forced to sell it to the nearest private utility for a song. Such a disaster can happen only if you and your fellow cooperators fall asleep on the job.

This booklet will tell you how effective cooperative enterprise can be in rural electrification. In the four years since 1935, more than 600 REA-financed cooperatives have been organized. The number of farms electrified has more than doubled.

Cooperation splendidly demonstrates the adaptability of old-fashioned democracy to new-fashioned problems. While REA is eager to help you set up your own community enterprise, REA does not want to operate it for you. Nor, I believe, do you want it operated by some distant utility holding company whose interest in your community extends no further than the money it can drain from you. Your electric cooperative is to serve you; you should control it. As long as you own and operate this electric system yourselves, on a truly cooperative and democratic basis, you will retain all its benefits right in your own community, and every member will share in them equitably.

To keep control in your own hands, you and your neighbors must learn how to run your cooperative enterprise successfully. This bulletin suggests how. I commend it to your careful attention, and suggest that you supplement the reading of it by neighborhood study groups on cooperation and on the uses of electricity.

Any cooperative enterprise, to succeed, needs two things. One is honest and efficient management. The other is the constant, active participation of a well-informed and loyal membership. To make sure of the first, you must also have the second. The two together make an unbeatable combination.

Aid to cooperative rural electrification projects became a direct concern of the Department of Agriculture on July 1, 1939, when REA was made a unit of the Department. We are throwing the resources of the Department behind the REA program. Our aim is to carry electricity to as many farms as is possible on a sound, self-liquidating basis. Already cooperative electricity has contributed significantly toward making farm life worthy of the people who live on the farm. Along with our other activities, rural electrification, cooperatively accomplished, will continue to move forward.

HENRY A. WALLACE,
Secretary of Agriculture.

Answers to Questions About Your REA CO·OP

What is REA?

The Rural Electrification Administration (REA) is an agency of the Federal Government set up by the Congress in order to help farmers get electricity. It provides 100 percent financing on a loan basis at low interest rates for line con-

struction and, where necessary, for generating plants. It can also make loans to your cooperative for the purpose of financing most of the cost of your wiring and of a modern plumbing system in your home. In addition, REA gives your cooperative advice in engineering and legal matters and in its operating problems. REA also helps you in finding out how you can get the greatest benefit from the use of electricity.

Why did Congress think it necessary to set up the REA?

Because the Government of the richest country in the world felt that our rural population was entitled to the same conveniences made possible by the use of electricity which our urban population has enjoyed, for so many years. Also, the farmers need electricity in order to cut production costs and increase farm income. Some European countries are far ahead of us in rural electrification. At the beginning of 1935, only about 10 American farms in every 100 had central station electric service. And in 14 States, less than 4 in every 100 were served by electric lines. Close to 6,000,000 American farms were entirely without electricity.

Why did not the private power companies build more rural electric lines?

Because they necessarily are in the power business for what profit they can get out of it. Rural lines have fewer customers per mile than urban lines and therefore are less profitable. Most farmers found it impossible to get electricity unless they lived in a rather densely populated area, agreed to make a big cash contribution to the cost of line construc-



Running hot and cold water where you want it, when you want it—automatically pumped and automatically heated by electricity.

tion, and were willing to pay inordinately high rates for electric service.

What is an REA cooperative?

Briefly, it is a rural community enterprise through which the farmers provide electric service to themselves with the help of REA. More fully stated, it is an incorporated association of neighboring farmers and other rural residents, organized democratically for the purpose of supplying electricity to its members at the lowest cost made possible through mutual self-help and REA financing and guidance.

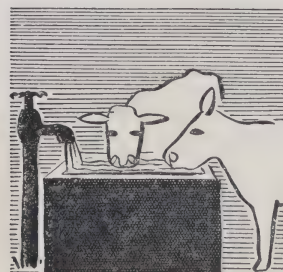
Does REA make loans only to cooperatives?

REA can also make loans for rural line construction to municipalities, to public power districts, and to private power companies, but so far most of the requests for loans have come directly from groups of rural consumers. These are usually organized as cooperatives, although some are formed into public power or irrigation districts. Approximately 90 percent of the REA-financed projects are cooperative.

How is it possible for farmers to build and operate our own electric lines if the power companies did not consider it profitable to do so?

Because you and your neighbors are going to run your electric distribution system for the service it will give you, not for profits to stockholders. And do not forget that the Government, through REA, helps you not only with financing, but also gives advice on organization, engineering, and management problems.

The electric pump totes water swiftly, at low cost, never tires. A turn of a faucet furnishes livestock all they want to drink, saves labor.

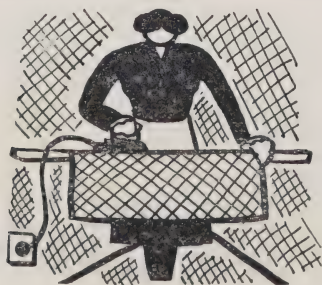


Can we serve ourselves at reasonable rates and at the same time repay the REA loan?

Yes; if your rural community makes full use of this electric service. There are several good reasons why you should be able to do so. In the first place, REA engineers have worked out specifications for line construction which make it possible to build durable lines at almost one-half the cost per mile of what most private companies used to figure. In the second place, REA loans are made at very low interest and the period of repayment is spread over 20 or 25 years. This, together with the fact that no investors' profits need to be figured in, makes for low financing charges. In the third place, REA cooperatives can generally get low wholesale energy rates. Where that is impossible, REA can make an additional loan to a project for setting up its own generating plant to produce its own electricity. It stands to reason that, with lower construction costs, low repayment and interest charges, low wholesale rates, modest operating costs and no need to make profits for investors, an REA cooperative should be able to serve its members at rates they can afford to pay.

How are retail rates for a cooperative determined?

That depends on several factors. One is the wholesale rate a project has to pay. Another is the consumer density of the project, which means the number of consumers of electricity per mile of line averaged over the entire project. Still another is the amount of electric energy used on an average by each member. The more consumers you get



The electric iron changes ironing from a slow and painful task to one of ease and speed. Low cost, and automatic heat regulation.

on your lines and the more electricity all of you use, the cheaper will be your electric rates. Also, a good deal depends on how economically your cooperative project is being managed.

Is not this cooperative idea a rather new-fangled and risky thing to try?

Not any more. The cooperative movement is about 100 years old and now includes 100 million families in 40 countries. In Great Britain, Switzerland, and the Scandinavian countries the cooperative wholesale societies are the largest dealers in consumer goods.

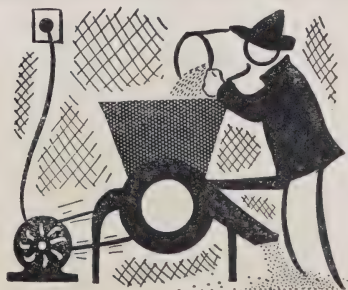
Cooperation may work in foreign countries, but how do we know it will work here?

Cooperatives are well established in many parts of the United States. The Farm Credit Administration recently made a national survey of farmers' cooperatives and found over 15,000 of them, with 3,000,000 members and doing an annual business amounting to more than 2 billion dollars. Detailed figures for 4,000 American farmers' cooperatives showed that they saved their members \$25,000,000 in the year 1936 alone, besides what they added to their reserves. Those farmers have learned that it pays them to cooperate.

What sort of business were these 4,000 cooperatives doing?

About one-third of them purchased farm supplies cooperatively, such as seed, feed, fertilizer, gasoline, tractors, and other equipment. The others were processing and marketing cooperatives, handling for their members fruits and

The electric motor can grind, cut, mix, sharpen, saw, hoist, churn, and do many other difficult jobs faster than human muscle.



vegetables, grain, dairy products, poultry products, cotton, wool, and livestock. Many of the marketing cooperatives also saved their members money by buying some of their farm supplies cooperatively.

Are there any other kinds of cooperatives in America that have proved useful to farmers?

Yes. Included in the 15,000 cooperatives listed by FCA are about 1,900 mutual fire insurance companies and 2,500 mutual irrigation societies. In addition there are about 5,000 mutual telephone companies which are owned and controlled by the farmers themselves. While they are usually not called cooperatives, they are operated on cooperative principles. The same is true of the credit unions that have been set up in cities and in rural areas with the help of the Farm Credit Administration and under a number of State acts. There are about 6,000 credit unions with more than 1,000,000 members. Also, American farmers, particularly in the Great Lakes region, have learned that cooperative stores handling household supplies can be just as useful in the country as in the city.

Has the cooperative method been used successfully in rural electrification?

Yes. In Sweden, about 50 percent of all rural distribution of electricity is done through cooperatives. Most of these buy their power from State-owned power projects. Finland has about 400 rural electric cooperatives, many of them with their own generating plants. In Denmark, 25 percent of all electric power consumed in the entire State is distributed



The electric washer eliminates the scrub-board and hand wringer from the farm home. It does better work in half the time.

through rural electric cooperatives. In Czechoslovakia there were in 1937 about 500 rural electric cooperatives operating their own distribution systems. There are about 50 going rural electric cooperatives in the United States that were started long before REA was set up.

What has been the result of the REA program so far?

By the end of 4 years' operation, in May 1939, there were 600 REA projects in 44 States. Some 400 of them were energized. Over 95 percent were cooperative or public bodies. These REA projects were furnishing electricity over 100,000 miles of line to 225,000 consumers. This means that, under the REA program, American farmers already own enough energized electric distribution lines to go four times around the earth. And there are enough more REA lines under construction right now to double this mileage in a short time. At the rate REA cooperatives are now growing, more than 10,000 additional families are getting electric service each month.

Can a cooperative enterprise fail?

Yes, if it is mismanaged and does not get enough support from the membership. A cooperative enterprise must be managed economically and efficiently just like any other business. And unless it sticks to cooperative principles, it is cooperative only in name. Cooperation means to work together for mutual benefit.

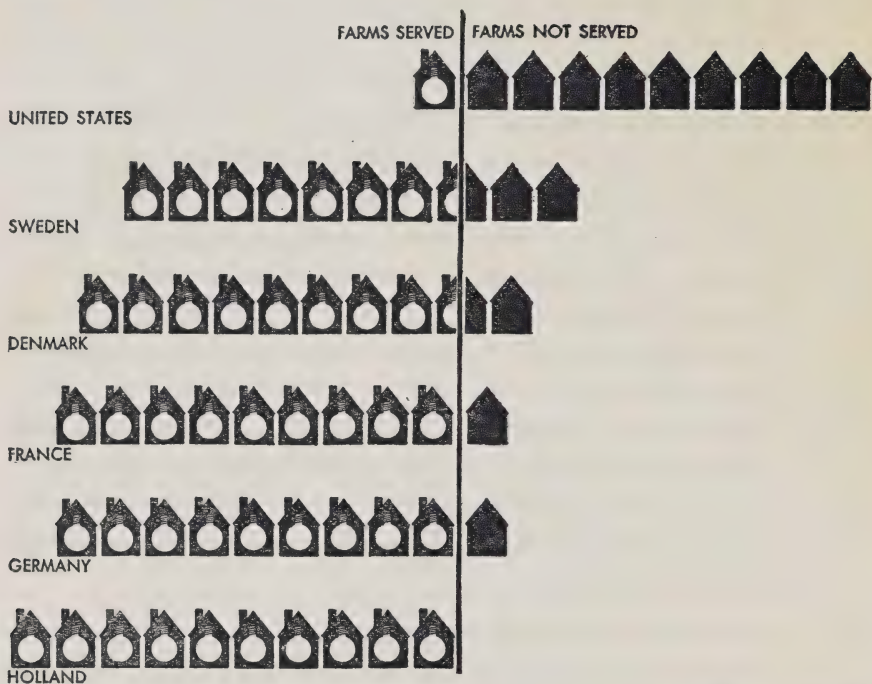
When a cooperative fails, the members themselves are usually to blame for it. They did not learn how to cooperate.

The electric milking machine works with the skill of human hands, but is far faster and cheaper. Approved by dairymen everywhere.



RURAL ELECTRIFICATION

WHEN REA STARTED IN 1935



Each symbol represents 10 percent of all farms.

PICTORIAL STATISTICS, INC.

NOTE: By January 1, 1939, after nearly four years of a Federal rural electrification program, the number of farms in the United States receiving high-line electric service had doubled. In 1935, 10.6 percent of American farms were receiving service; in 1939 21 percent had electricity.



A radiant electric heater takes the nip off frosty mornings. It is portable, glows quickly, works safely, provides new comfort for all on the farm.

They were not willing to go to any personal effort to make their cooperative succeed. Perhaps they picked a poor board of directors who hired an incompetent manager. Perhaps they allowed a small group of people to control and run the business as they pleased, and to feather their own nest. Perhaps the members, instead of taking a long-range point of view, were foolish enough to think that they should get all the benefits immediately and failed to build up needed reserves. Perhaps the management extended too much credit and could not meet its bills. There is no more reason why a well-managed cooperative should fail than any other business enterprise.

What money risk do I run by being a member of an REA cooperative?

None except for the small membership fee you paid. All the other capital has been loaned by the Government and you are not personally liable for its repayment, as your cooperative is incorporated. Nor can you be forced to pay any assessments if your project should lose money. All that your board can do is to raise the rates if they are not high enough to meet operating expenses. And no one can force you to use electricity if you do not want to use it.

On the other hand, while you cannot lose, you have everything to gain. If you do your share in making your electric cooperative succeed, you will be the part owner of a going business that will yield constantly increasing benefits to you and your neighbors.

What are these benefits?

Cheap electric service for your home, with current for light-

Hen-house lighting lengthens winter days, flocks eat more, lay more eggs. Ultra-violet light aids chick growth and health.



ing in the home, barns and yard, radio, a modern plumbing system with running water in the house, refrigeration, automatic washer, ironing, cooking, water heating, and other conveniences; cheap power for your farm that can cut production cost and raise your income by many times the cost of the power consumed; increased value of your home or farm (many farmers say that their farms are worth an extra \$10 or more per acre when they are electrified); improved facilities for carrying on church and other community activities; and a chance for your children to get their education in a modernized school with electric lights, electric equipment for home economics for the girls and for practical shop work for the boys.

How can one tell whether a "cooperative" is really a cooperative?

It is a cooperative to the extent it applies cooperative principles.

What is meant by "cooperative principles"?

The few simple rules which, in addition to sound business management, have been found useful in operating an enterprise cooperatively.

How were these cooperative principles found?

Through experimentation or, you might say, by the trial and error method. The idea of mutual self-help on an organized basis is more than a hundred years old. During the first 50 years after 1800, a number of attempts to set up producer and consumer cooperatives were made in England and America, but practically everyone of them ended in failure



Electric refrigeration keeps food appetizing, reduces waste, saves money, protects health. Not a luxury, a real necessity for farm families.

for one reason or another. They could not find the formula that made success possible. At last, in 1844, a small group of poor weavers in the textile mill town of Rochdale, in England, got on the right track.

With a capital of \$140, which represented a whole year's savings of the 27 men and 1 woman, they started a little cooperative store that grew and grew until in 1934 it had a membership of more than 40,000 families and was worth nearly 3 million dollars. The almost immediate success of this cooperative in Rochdale caused other people who wanted to start cooperatives to study and adopt the rules or "principles" that had made the Rochdale cooperative successful. Today, these cooperative principles, or "Rochdale principles" as they are sometimes called, are recognized and used by cooperatives throughout the world.

What are these cooperative principles?

Simply stated, they are:

1. Open membership:
2. Democratic control, or one member one vote.
3. Invested capital gets no profits, only interest.
4. Return of gains to the members in proportion to their patronage:
5. Political, religious, and racial neutrality.
6. Cash trading, no credit business.
7. Education in cooperation.

What is meant by open membership?

That membership in a cooperative should be open to any:

Today's farmer separates 1,000 pounds of milk for less than the cost of a cup of coffee. Cream separating is speedy, effortless with electricity.



WHAT ONE KILOWATT HOUR MEANS TO THE FARM HOME

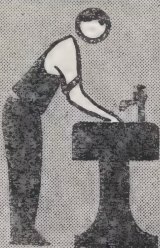
LIGHTING FOR
A WHOLE
EVENING'S
READING



CORRECT TIME
FOR THREE WEEKS



PUMPS ALL THE
WATER WANTED
FOR TWO DAYS



TWO HOURS
OF EASY
IRONING



TWO THOROUGH
HOUSE CLEANINGS



RUNS A SEWING
MACHINE
TWO MONTHS
WITH AVERAGE
USE



PRESERVES
THE AVERAGE
FAMILY'S FOOD
FOR 15 HOURS



ONE LARGE
WEEKLY WASH



WHAT ONE KILOWATT HOUR MEANS

TO THE FARM



PICTORIAL STATISTICS, INC

one who can use its services. The more user-members a cooperative has, the more cheaply it can operate. And the cheaper it operates, the greater are the benefits to each user-member and to the community as a whole.

Does this principle hold good for REA cooperatives?

Yes, it does. Of course, anyone wanting to become a member must live near enough to an existing or planned REA line for his place to be served with electricity by the cooperative without excessive cost for line construction. Otherwise, his membership would be a burden instead of a help to the cooperative.

What is meant by democratic control?

We have democratic control in our democratic form of government, where each citizen has only one vote, regardless of how rich or how poor he is. In the ordinary business corporation, the stockholder who owns the largest number of shares of voting stock has the largest number of votes, because each share of voting stock is entitled to one vote. It is also a common corporation practice for a few people to try to get hold of other stockholders' votes by collecting "proxy" votes. This makes it possible for a few stockholders to control the entire corporation and to run it for their own exclusive benefit, without giving any consideration to the many small stockholders. In a real cooperative, each member has one vote, and one only. In this way, the control of the enterprise is in the hands of the majority of the members:



Electric cooking makes good cooks better. Electric ranges are clean, easy to operate, have controlled heat. Economical for all families.

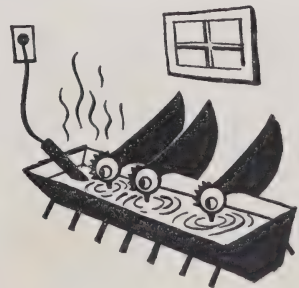
Men and women, not money, control a cooperative enterprise.

Do REA cooperatives practice democratic control?

All REA cooperatives provide in their bylaws that each member shall have only one vote. Some require that all voting must be done in person. Others permit voting by mail for those members who cannot come to a meeting. Many of them provide for a form of proxy voting that allows you to let another member vote for you if you cannot come to the meeting. However, the number of proxies which any one person may vote is usually limited to two or three in order to keep the voting as democratic as possible. It is, therefore, possible in all REA cooperatives for the members themselves to control their electric enterprise. Bylaws can provide for a joint membership of a husband and wife, so that either the husband or the wife (but not both) can do the voting and can be elected to the board of directors.

Of course, you can lead a horse to water but you cannot make him drink. If you and your neighbors, as members of an REA cooperative, do not make use of your voting privilege, do not come to meetings and do not bother about how your project is being run, you have only yourself to blame if the project is not operated to suit you. It takes the active interest and cooperation of all members, in addition to sound technical management, to make a cooperative successful.

Electrically warmed water in winter means thirsty flocks can drink more at appetizing temperatures. More eggs are laid, the farmer makes more money.



Why should invested capital get no profit in a cooperative?

Because a cooperative enterprise is operated for the benefit of its user-members, not for the benefit of investors. Capital is hired, just like labor, at a regular wage, which in this case is called interest. In some cooperatives where each member contributes about the same amount of capital, no interest at all is paid. Any earnings or savings which a cooperative makes belong to the members whose patronage has made them possible.

How does this work out in the case of REA cooperatives?

Very simply. The Government, through REA, furnishes all the capital necessary to build your electric distribution system and it is satisfied to get a very low rate of interest on this capital. The small membership fee you have paid on joining your REA cooperative can hardly be called an investment in the usual meaning of that word. The membership fees are used by your cooperative or held in your treasury. These membership fees are not paid to the Government. The Government wants no profit out of your electric cooperative enterprise. Its only purpose in helping you is to enable more rural residents to have the benefit of electricity. But the Government has a right to expect that you will operate your REA cooperative soundly enough to be able to repay the capital loaned to your projects.

Why should the gains of a cooperative enterprise belong to its member-users?

Any gains rightfully belong to them because their patronage



Busy farm women who cook for large families, hired men, or farm family holiday celebrations find the electric mixer a great joy and time saver.

has made them possible. In a consumers' or service cooperative, any net surplus which is not needed for reserves or for paying off loans or other obligations should really be considered as an overpayment by the member-patrons themselves. Therefore, it is not a profit, and if it is returned to the members in proportion to their patronage, they are not receiving a profit. All they are getting back is the difference between what they have paid for the service and what it actually cost to supply that service. They are getting back a part of their own money.

Should REA cooperatives give patronage refunds?

They may do so after they have repaid the money borrowed from the REA. However, an REA cooperative is essentially a community enterprise and its first concern, therefore, should be to achieve full ownership of its electric system as rapidly as possible. When it has reached the point where it can operate at reasonable rates, establish adequate reserves, and still make a net surplus, it should use that surplus to reduce its indebtedness. This, in turn, will reduce its operating expenses because it means a reduction in the amount of interest to be paid on the reduced loan balance. But even when an REA cooperative has paid off its loan in full, it is a better policy to keep its rates as low as possible rather than to try to provide large patronage refunds. The cheaper a farmer can buy electricity, the more he can put it to use and the more benefit he will get from it.

What is the cash trading principle?

That any dealings a member may have with his cooperative

Set the thermostat, and electric current maintains temperatures at just the right level in modern automatic, profit-tested electric poultry brooders.



shall be strictly on a cash basis. Of the cooperatives that have failed, more failed because they did not stick to this principle than for any other reason. They extended so much credit that they could not pay their bills. Of course they failed.

How does this apply to REA cooperatives?

Your project must pay its wholesale power bill and meet its other operating expenses every month. If any member gets behind in paying his service charges, it means that your management has that much less money with which to meet its bills. If any member defaults entirely on his obligations, it means that the other members must be charged enough more to make up for the loss. The member who does not pay his bills promptly becomes a burden on the rest of the membership.

What is meant by education in cooperation?

The more an owner knows about his business, the better are the chances that he will make a success of it. This is true whether the business is owned by one person or by many persons. In a cooperative, the members and users are the owners. To make their cooperative enterprise successful, it is necessary for them to learn not only what cooperation means but also how it works. It is important they should learn to understand the problems of their cooperative business and how they, as members and users, can help to make it yield the greatest service at the lowest cost. This means that the management should keep the members informed concerning the enterprise and its problems and should



Coffee made the electric percolator way is made quickly, cheaply, with little fuss and bother. Handy, can be plugged in for service at the table.

enlist their active interest and loyal support. If the members are well informed, they are in a better position to get their neighbors interested in joining the cooperative so that it will grow and yield greater benefits to all.

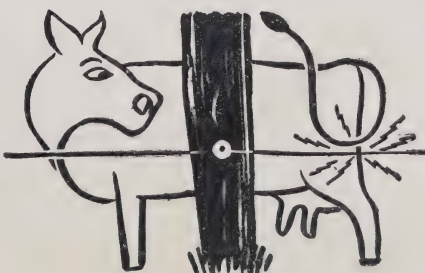
What should I inform myself about, as a member of an electric cooperative?

You should study the bylaws of your cooperative, so that you will know your rights and responsibilities as a member. You should learn to know something about electricity, the uses it can be put to for your benefit, what it may mean to your community as a whole, and to the school your children attend. You should learn how to use electricity safely. You should find out how you can cooperate with your board and your manager to keep operating costs down while constantly improving the quality of the service. And you should inform yourself about cooperatives in general and how people in other parts of the country and of the world have learned to make them work for their social and economic benefit. You can be a better cooperator in your electric enterprise if you know more about cooperation.

What are the bylaws?

A set of rules or regulations adopted by the cooperative for conducting its affairs. In some States, bylaws are called "code of regulations." Bylaws usually state the conditions governing membership and its termination, the rights and responsibilities of members, rules concerning voting and the election and removal of directors or trustees and of officers,

It's easy to fence pastures with electricity. Only one or two wires, no permanent posts, quickly moved at any time.



a description of the duties of officers and directors and other provisions that are intended to make the cooperative function democratically and in the best interests of the membership. Bylaws should provide for joint membership of husband and wife, so that either (but not both) may vote at meetings and may become a candidate for the board of directors. Every member of an REA cooperative should insist on getting a copy of its bylaws. They are, in effect, the Bill of Rights of the membership.

Who makes the bylaws?

Originally, the bylaws are agreed upon by the people who start the cooperative (they are called the incorporators). When any changes become necessary or desirable, the changes are submitted to a vote and, if approved, become part of the bylaws. In most States, bylaws of cooperatives can be changed only by a vote of the members. In some States, however, only the board of directors has the power to change the bylaws, but this does not conform to the cooperative principle of democratic control.

What are the responsibilities of the members?

The members, as owners, are the controlling body. By their vote, they can approve or disapprove policies and they have the right and duty to elect a capable and public-spirited board of directors or trustees. As a member, you should make every effort to come to all members' meetings and to vote on all matters which the members have a right to decide. Bylaws usually give the members also the right to remove a director or officer who has not proved satisfactory.



With electricity, broom and dust pan go the way of the coal-oil lamp. Easy to handle, a modern electric cleaner sweeps, polishes, waxes, never raises dust.

Why should I bother to come to a members' meeting?

Because your REA cooperative will never be really successful unless you and your fellow-members take an active part in it and help to control it. The best board of directors or trustees will lose interest and do only a half-hearted job if it knows that the members do not care. And a poor board left to its own devices may so mismanage the affairs of your cooperative that the members get poor service, that the operating expenses grow too large and that the service rates will have to be raised. If the members wait until that happens, it will cost them a lot of money, time, and effort to get things straightened out again, to say nothing about the loss of goodwill and of general community support which will be hard to regain. Of course, REA has the right to intervene and to take over temporarily the management of a project that is being mismanaged. But REA has no desire to take over the control and management of a project as long as the members exercise the proper control themselves.

What are the duties of directors?

The board of directors or trustees is a policy-making and supervisory body. It has the job to see to it that the project is operated effectively and that the policies agreed upon are carried out. While the board is thus charged with full responsibility for the management of the cooperative enterprise, the actual management is delegated by the board to a paid superintendent or manager who is held responsible to the board. The board should make regular

Electric hotbeds produce better foodstuffs for out-of-season markets and increase income.



reports to the membership to which it owes strict accounting for the performance of its function as trustee. Unless the board keeps the membership fully informed, it may not be able to retain the confidence of the members.

What are the qualifications of a director?

In an REA cooperative, a director or trustee must be a member and a user of its electric service. He should be a person of the highest reputation for honesty and willing to devote the necessary time and thought to the business of the cooperative. He should have some understanding of business problems and of the cooperative method and he should be a real cooperator at heart. A director in an REA cooperative receives no salary for his service and should not hold any other paid job in the cooperative. He is elected by the members because of their confidence in his willingness to be of service to his community. He should not be connected with any business that expects to profit out of the existence of the REA cooperative, nor should he try to use his position of influence to get friends or relatives on the cooperative pay roll. Since rural electrification is just as important to the women as to the men, every board of directors should include some women.

What are the duties of the project superintendent or manager?

He is in full charge of the actual operation of the project. He takes his orders from the board of directors as a whole, not from individual directors. All other employees work



An electric sewing machine speeds up mending, simplifies clothesmaking. Easy to operate and the power cost is usually less than the thread.

under his orders and direction. During the construction period he must organize the work of getting easements, getting members signed up, getting yard poles and meters located, getting lines energized as rapidly as possible, getting the members to have their houses wired and ready for service. It is of the utmost importance that he coordinate the work of the project attorney, the project engineer, and the contractor to see that construction proceeds rapidly. It is equally important that he help members get their farmsteads wired up in advance of line construction.

When the project is energized, he must arrange for the reading of meters, billing and collecting of service charges, proper servicing of the lines, connecting of new members, and give advice to members on how to put their electric service to most profitable use. In addition, he must take care of all the other matters that are part of developing and operating such a cooperative enterprise. While it is his job to manage the project for the benefit of its user-members, he should be able to rely on the loyal cooperation of all members at all times.

What are the uses of electricity on the farm and in the farm home?

There are over 200 of them. The most frequent uses of electricity in the farm home are for lighting, radio, electric iron, washing machine, refrigerator, running water system, vacuum cleaner, toaster, roaster, range, small room heater and fan. On the farm itself, electricity can be used profit-

Yard lights give the farmer light when he needs it—at dusk and early morning. Cheap, they bring protection, promote safety, speed chores.

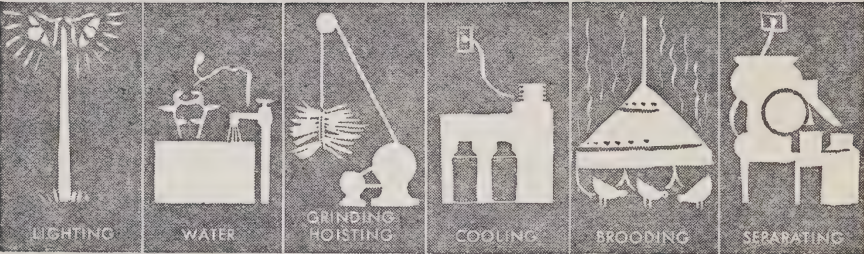


A FEW TYPICAL USES OF ELECTRICITY

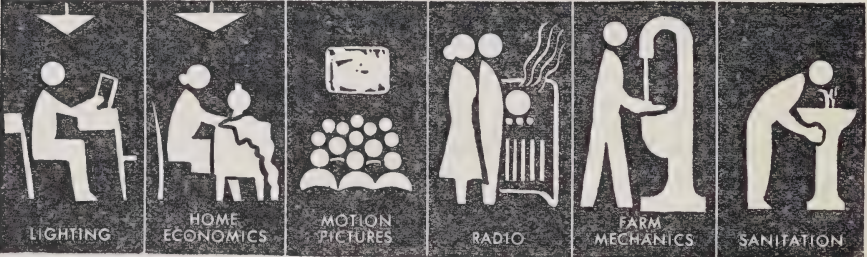
IN THE FARM HOME



ON THE FARM



IN THE RURAL SCHOOLS



FOR RURAL INDUSTRIES



ably for lighting barns and yard, lighting hen houses, brooding chicks, milking, milk cooling, separating cream, pumping water, grinding feed, and operating many kinds of farm equipment and machinery.

How is electric energy consumption measured?

In kilowatt-hours, marked KWH on your meter and on your bills.

What is a kilowatt-hour?

It is a unit of measurement for electricity, just as a gallon is the unit of measure for milk, water, or gasoline. It means the use of 1 kilowatt (kw) for 1 hour. A kilowatt means 1,000 watts. A kilowatt of electric power is about the same as $1\frac{1}{2}$ horsepower (hp). The man who first used the term "horsepower" as a unit of measurement was James Watt, the Englishman who also invented the steam engine. The unit of electric power was called "watt" in his honor.

Electric appliances are usually marked with the number of watts they use. For example, an electric bulb may be marked "25-W," which means 25 watts, or a larger one may be marked "100-W," meaning 100 watts. A 100-watt light burning 10 hours will have used up the same amount of electricity as five 40-watt lights burning 5 hours or as 500-watt electric heater turned on for 2 hours. In each case the total is the same as 1,000 watts used for 1 hour, or 1 kilowatt-hour.

For never-ending farm repairs, the electric drill offers a quick and easy solution, does better jobs faster than by hand. Cheap to run. Saves money by saving time.



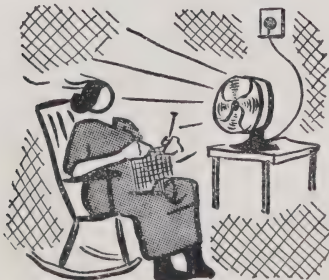
How much must I pay for the electricity I use?

That depends on the electric rate for your project. You understand, of course, that your retail rate has to be high enough to cover not only the actual cost of electricity, operating and maintenance expenses, but also to yield enough more income to meet interest and loan payments to REA. This makes it possible for you and the other members of your cooperative jointly to acquire a constantly increasing equity in your electric distribution system until finally you will own it completely.

There are certain fixed expenses that are properly chargeable to each consumer to whom electric service is made available. REA cooperatives are generally advised to provide for a minimum bill which includes the use of enough electricity to take care of the average member's needs for lighting his home and operating at least a few electric appliances. This minimum bill also includes most of the consumer's share of the fixed expenses mentioned above. When you use more electricity than the minimum bill pays for, your cooperative can furnish you this additional electricity at lower rates because most of the fixed expenses are already covered by your minimum bill.

How much electricity will I need for operating the appliances I want to use?

As the result of tests made by various State colleges, utility companies and manufacturers, it is conservatively estimated that the average family of four to five persons uses the following average amount of electricity to operate the various household appliances:



The electric fan makes hot weather bearable. It increases the comfort and livability of the farm home, and makes farm life pleasanter.

In the Farm Home

Clock.....	2 kwh per month
Coffee percolator.....	5 kwh per month
Curling iron.....	$\frac{1}{2}$ kwh per month
Dish washer.....	$2\frac{1}{2}$ kwh per month
Fan (household).....	2 kwh per month
Fan (kitchen).....	8 kwh per month
Heater (glowing or radiant)	1 kwh per hour of use
Heating pad	$\frac{1}{2}$ kwh per hour of use
House heating (oil burner)	25 kwh per month
Household motor.....	1 kwh per month
Iron (hand).....	5 kwh per month

Ironing machine.....	10 kwh per month
Lighting.....	20 kwh per month
Radio.....	8 kwh per month
Range	120 kwh per month
Refrigerator	35 kwh per month
Sewing machine.....	$\frac{1}{2}$ kwh per month
Toaster	3 kwh per month
Vacuum cleaner.....	2 kwh per month
Waffle iron.....	2 kwh per month
Washing machine.....	3 kwh per month
Water heater.....	240 kwh per month
Water pump (shallow well)	8 kwh per month
Water pump (deep well) ..	10 kwh per month

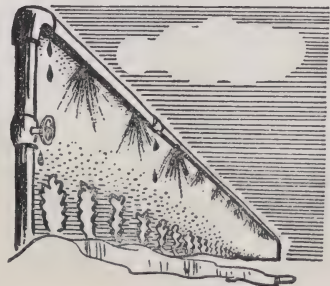
Likewise, the following average amounts will be needed to operate your farming equipment:

On the Farm

Apple butter stirrer....	$\frac{1}{4}$ kwh per gallon
Apple cider mill (small jobs)	1 kwh per 100 gallons
Barn ventilator (during season)	$2\frac{1}{2}$ kwh per cow per month (variable)
Bonegrinder	22 kwh per ton
Bottle washer....	$\frac{1}{2}$ kwh per 1,000 bottles
Brooder.....	$\frac{1}{2}$ kwh per chick raised
Churn... ..	$1\frac{1}{2}$ kwh per 100 pounds of butter
Clipper (for horse or cow)	$\frac{1}{10}$ kwh per hour of use
Concrete mixer	$\frac{1}{2}$ kwh per cubic yard of concrete
Corn husker-shredder	30 kwh per 100 bushels of corn husked
Corn sheller	1 kwh per 30 bushels of shelled corn (variable)
Cream separator	$\frac{1}{2}$ kwh per 1,000 pounds of milk
Dairy refrigerator (during season)	30 kwh per 10 gallons of milk daily per month

Dairy water heater	1 kwh per 5 gallons of hot water (145° F.)
Ensilage cutter.....	1 kwh per ton
Electric fence.....	7 kwh per month
Fly screen or trap (during season)	5 kwh per month
Grain elevator... ..	4 kwh per 1,000 bushels
Grain grinder....	$\frac{1}{2}$ kwh per 100 pounds
Grain, seed cleaner and grader	1 kwh per 100 bushels
Green feed cutter and root shredder	2 kwh per ton
Hay bailer.....	$2\frac{1}{2}$ kwh per ton
Hay dryer	40 kwh per ton of dry hay (variable)
Hay hoist.....	$\frac{1}{2}$ kwh per ton
Hotbed... ..	1 kwh per square yard per day
Incubator.....	1 kwh per 25 eggs set
Irrigation (surface)	3 kwh to raise an acre-foot of water 1 foot

Steady, dependable, easy-running electric pumps make market gardens droughtproof, produce better crops that bring quality prices.



Milking machine (portable)
1½ kwh per cow per month
Milking machine (pipe line)
2½ kwh per cow per month
Oyster shell grinder.....2 kwh per ton
Paint sprayer . 1½ kwh per 1,000 square feet
Poultry house lighting (during season)
5 kwh per 100 birds per month
Poultry water heater . .1 kwh per day of use
Sheep shearer . . .2 kwh to shear 100 sheep
Straw cutter.....2 kwh per ton

Threshing machine
1 kwh per 8 bushels of grain
Tool grinder½ kwh per hour of use
Ultraviolet lights for poultry
10 kwh per 100 hens per month
Utility motor (small ¼ h. p.)
½ kwh per hour of use
Utility motor (3 and 5 h. p.)
1 kwh per horsepower per hour of use
Water pump (shallow well)
15 kwh per month
Water pump (deep well) . .20 kwh per month
Wood saw2 kwh per cord of wood

How can I figure the cost of the electricity I want to use?

The following example shows an easy method of figuring your cost.

USE	Average kwh per month	TYPICAL RATE SCHEDULE							
		First 40 kwh \$3.25		Next 40 kwh at 5 cents		Next 120 kwh at 3 cents		Over 200 kwh at 2 cents	
		Kwh	Cost	Kwh	Cost	Kwh	Cost	Kwh	Cost
Lights	20	20							
Iron	5	5							
Radio	8	8							
Washing machine	3	3							
Water system	10	4		6	\$0.30				
Poultry lighting—100 hens	5	40	\$3.25	5	.25				
Refrigerator	35			29	1.45	6	\$0.18		
				40	\$2.00				
Range	120					114	3.42	6	\$0.12
Dairy refrigerator, 30 gal- lons milk daily	90					120	\$3.60	90	1.80
								96	\$1.92

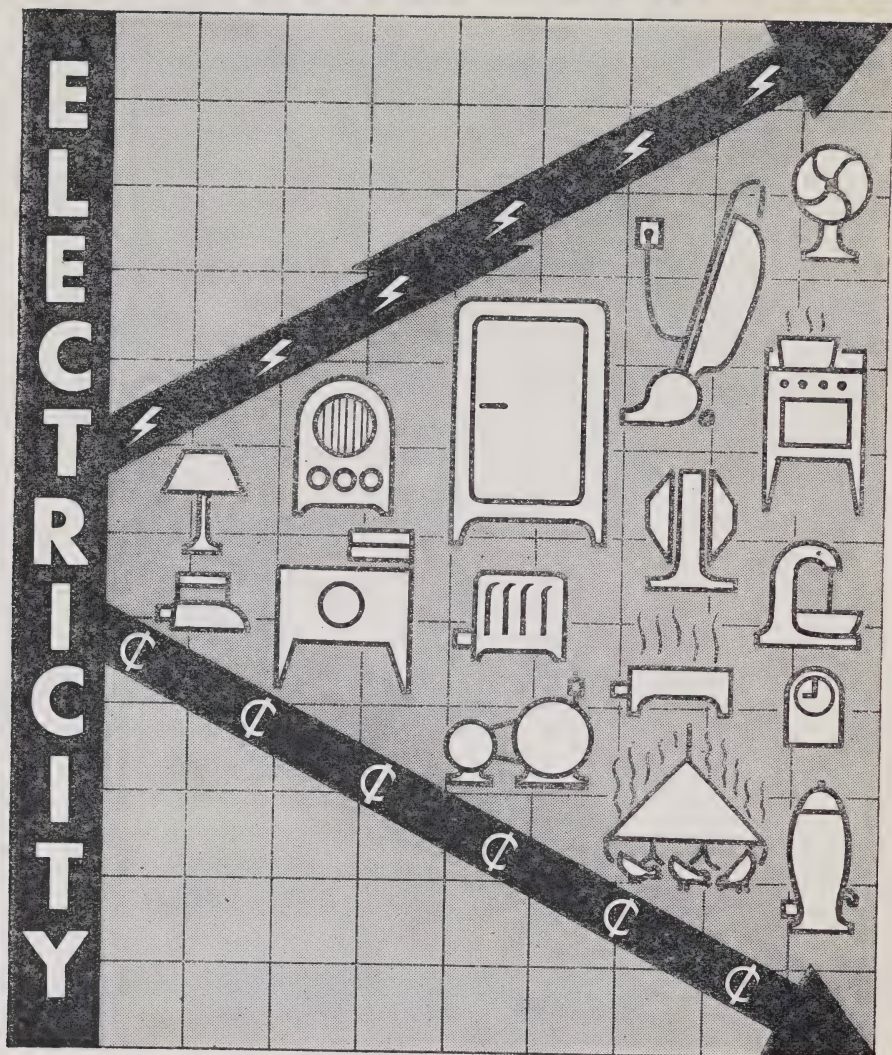
TOTAL MONTHLY COST FOR ALL THESE USES. \$10.77

AVERAGE COST PER KILOWATT-HOUR (KWH), 3.64 CENTS



With radio, a turn of a dial brings the world news, the finest entertainment. Market and weather reports mean dollars to the farmer.

THE MORE YOU USE



THE CHEAPER IT GETS

Is any special knowledge needed to use electricity safely?

No, just ordinary common sense. Here are a few simple rules to keep in mind:

1. Have wiring done only by a competent electrician.
2. Make sure that it is done with approved materials and according to specifications recommended by your project management and by REA.
3. Have all wiring inspected by an authorized inspector.
4. Use only approved cords and appliances and do not handle them with wet hands or while standing in a wet place.
5. In using appliances, follow the directions that come with each appliance.
6. Do not run extension cords under rugs, over nails, or around pipes or radiators.
7. When you disconnect an appliance, pull on the plug, not on the cord.
8. Replace a blown fuse only with a fuse. Anything else may cause trouble. The fuse is the safety valve of your electric system.
9. Do not touch any exposed wires unless you are sure that the current is not on.
10. If you need advice on installing a radio aerial or any other equipment, ask at the office of your REA cooperative.
11. If you see anything wrong along the electric highline, call your project office at once.

The electric saw brings new efficiency to farm mending, cutting, and building. Electric power means cleaner carpentry work more quickly done.



12. If your line goes dead, let the project office know immediately.

How can I get help from REA in financing the cost of getting my house wired?

Just ask your project superintendent. He has a detailed description of the financing plan and can tell you how to apply for a wiring loan. REA does not make such loans directly to individual members but is willing to loan money to your cooperative which can then reloan it to those members who want this help and can qualify for it. These loans are also available in connection with installing a modern plumbing system with running water in your home.

Is it possible to get financial assistance in the purchase of electric appliances and equipment?

Yes. The Electric Home and Farm Authority (EHFA) is prepared to make loans for such purchases if your cooperative enters into an agreement with it. Your project superintendent can advise you if you desire to make use of this loan plan.

In planning to get our home wired, is it cheaper to consider only our present needs and the appliances we expect to buy and use at once?

No. It is much cheaper in the long run if, in planning your wiring, you look ahead to future needs and uses. It is particularly important to provide enough wall outlets to take care of floor and reading lamps and the various labor-



No more smoky, smelly lamps for the modern farm. No filling or cleaning. Light at the flip of a switch in every room of the farm home.

saving appliances that you no doubt will want to add from time to time. While you may not be able to have an all-electric kitchen at once, you will save money by having it wired for whatever you expect to get eventually.

Where can I get advice on planning the best wiring lay-out and on selecting the appliances from which my family and I can get the greatest benefit?

At the office of your cooperative. It is part of the job of your project superintendent to help the members in just such matters. You should always feel free to ask him whenever you want any information that concerns your electric cooperative or its service to you and your fellow members.

How can I help in making our electric cooperative a successful community enterprise?

By taking an active part in building it up.

As a member-owner you should attend the meetings of your cooperative and particularly the annual meeting at which directors are to be elected. If you consider the amount of money that is invested in your REA project, you will realize the importance of choosing the most capable and public-spirited people to whom to entrust such a big cooperative business. Electing directors or trustees is one of the greatest responsibilities of the members.

As a user-member you should make the best possible use of this electric servant that can do so many things for you so much cheaper than you could get them done before. You should tell your neighbors of the saving in labor, money

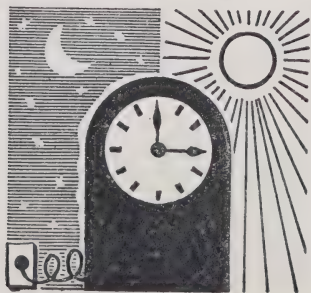
Electric cooling keeps milk sweet and the bacteria count low. It prevents waste, and often means a better price for a better grade product.



or time and of the new pleasures you are getting from the use of electricity, so that they too will understand its value and begin to enrich their lives by its use. It is only through widespread and plentiful use that the fullest benefit of electricity can be realized. The more it is used, the cheaper it gets.

If your cooperative uses the postcard system of meter reading, be sure to read your meter on the same day each month and mail your meter card promptly. Try to have the money for your electric bill ready in advance so that you can pay the bill without delay. This will help your cooperative and it will save you money and trouble.

Think and act like a real cooperator. If you and your fellow members understand the meaning of cooperation and work with your board and your management in a truly cooperative spirit, your combined efforts will be more than repaid by the benefits that are bound to result when people work together for their common good. The success your electric cooperative achieves will be shared by all its users—members in the form of low-cost service, lessened drudgery, greater comfort, and—if electricity is used productively—higher farm income.



Nobody has to wind the electric clock. Automatic, it keeps accurate time hour after hour, day after day, at a cost of only a few cents.

The Rural Electrification Act of 1936

[Public—No. 605—74th Congress]

[S. 3483]

AN ACT

To provide for rural electrification, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby created and established an agency of the United States to be known as the "Rural Electrification Administration", all of the powers of which shall be exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of ten years, and who shall receive a salary of \$10,000 per year. This Act may be cited as the "Rural Electrification Act of 1936".

Sec. 2. The Administrator is authorized and empowered to make loans in the several States and Territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service, as hereinafter provided; to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories; and to publish and disseminate information with respect thereto.

Sec. 3. (a) The Reconstruction Finance Corporation is hereby authorized and directed to make loans to the Administrator, upon his request approved by the President, not exceeding in aggregate amount \$50,000,000 for the fiscal year ending June 30, 1937, with interest at 3 per centum per annum upon the security of the obligations of borrowers from the Administrator appointed pursuant to the provisions of this Act or from the Administrator of the Rural Electrification Administration established by Executive Order Numbered 7037: Provided, That no such loan shall be in an amount exceeding 85 per centum of the principal amount outstanding of the obligations constituting the security therefor: And provided further, That such obligations incurred for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, or systems shall be fully amortized over a period not to exceed twenty-five years, and that the maturity of such obligations incurred for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment shall not exceed two-thirds of the assured life thereof and not more than five years. The Administrator is hereby authorized to make all such endorsements, to execute all such instruments, and to do all such acts and things as shall be necessary to effect the valid transfer and assignment to the Reconstruction Finance Corporation of all such obligations.

(b) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1938, and for each of the eight years thereafter, the sum of \$40,000,000 for the purposes of this Act as hereinafter provided.

(c) Fifty per centum of the annual sums herein made available or appropriated for the purposes of this Act shall be allotted yearly by the Administrator for loans in the several States in the proportion which the number of their farms not then receiving

central station electric service bears to the total number of farms of the United States not then receiving such service. The Administrator shall, within ninety days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service.

(d) The remaining 50 per centum of such annual sums shall be available for loans in the several States and in the Territories, without allotment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this Act, and to carry out the provisions of section 7: Provided, however, That not more than 10 per centum of said unallotted annual sums may be employed in any one State, or in all of the Territories.

(e) If any part of the annual sums made available for the purposes of this Act shall not be loaned or obligated during the fiscal year for which such sums are made available, such unexpended or unobligated sums shall be available for loans by the Administrator in the following year or years without allotment: Provided, however, That not more than 10 per centum of said sums may be employed in any one State or in all of the Territories: And provided further, That no loans shall be made by the Reconstruction Finance Corporation to the Administrator after June 30, 1937.

(f) All moneys representing payments of principal and interest on loans made by the Administrator under this Act shall be covered into the Treasury as miscellaneous receipts, except that any such moneys representing payments of principal and interest on obligations constituting the security for loans made by the Reconstruction Finance Corporation to the Administrator shall be paid to the Reconstruction Finance Corporation in payment of such loans.

Sec. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, peoples utility districts and cooperative, non-profit, or limited-dividend associations organized under the laws of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service: Provided, however, That the Administrator, in making such loans, shall give preference to States, Territories, and subdivisions and agencies thereof, municipi-

palities, peoples utility districts, and cooperative, nonprofit, or limited dividend associations, the projects of which comply with the requirements of this Act. Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine and may be made payable in whole or in part out of income: Provided, however, That all such loans shall be self-liquidating within a period of not to exceed twenty-five years, and shall bear interest at a rate equal to the average rate of interest payable by the United States of America on its obligations, having a maturity of ten or more years after the dates thereof, issued during the last preceding fiscal year in which any such obligations were issued: Provided further, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained. Loans under this section and section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed.

Sec. 5. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 4, or to any person, firm, or corporation supplying or installing the said wiring, appliances, or equipment. Such loans shall be for such terms subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest equal to the average rate of interest payable by the United States of America on its obligations, having a maturity of ten or more years after the dates thereof, issued during the last preceding fiscal year in which any such obligations were issued.

Sec. 6. For the purpose of administering this Act and for the purpose of making the studies, investigations, publications, and reports herein provided for, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as shall be necessary.

Sec. 7. The Administrator is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire, property pledged or mortgaged to secure any loan made pursuant to this Act; to pay the purchase price and any costs

and expenses incurred in connection therewith from the sums authorized in section 3 of this Act; to accept title to any property so purchased or acquired in the name of the United States of America; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed five years after the acquisition thereof; and to sell such property so purchased or acquired, upon such terms and for such consideration as the Administrator shall determine to be reasonable.

No borrower of funds under section 4 shall, without the approval of the Administrator, sell or dispose of its property, rights, or franchises, acquired under the provisions of this Act, until any loan obtained from the Rural Electrification Administration, including all interest and charges, shall have been repaid.

Sec. 8. The administration of loans and contracts entered into by the Rural Electrification Administration established by Executive Order Numbered 7037, dated May 11, 1935, may be vested by the President in the Administrator authorized to be appointed by this Act; and in such event the provisions of this Act shall apply to said loans and contracts to the extent that said provisions are not inconsistent therewith. The President may transfer to the Rural Electrification Administration created by this Act the jurisdiction and control of the records, property (including office equipment), and personnel used or employed in the exercise and performance of the functions of the Rural Electrification Administration established by such Executive order.

Sec. 9. This Act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. If the Administrator herein provided for is found by the President of the United States to be guilty of a violation of this section, he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Administrator who is found guilty of a violation of this Act shall be removed by the Administrator.

Sec. 10. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this Act.

Sec. 11. In order to carry out the provisions of this Act the Administrator may accept

and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may without regard to the provisions of civil-service laws applicable to officers and employees of the United States appoint and fix the compensation of attorneys, engineers, and experts, and he may, subject to the civil-service laws, appoint such other officers and employees as he may find necessary and prescribe their duties. The Administrator is authorized, from sums appropriated pursuant to section 6, to make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this Act.

Sec. 12. The Administrator is authorized and empowered to extend the time of payment of interest or principal of any loans made by the Administrator pursuant to this Act: Provided, however, That with respect to any loan made under section 4, the payment of interest or principal shall not be extended more than five years after such payment shall have become due, and with respect to any loan made under section 5, the payment of principal or interest shall not be extended more than two years after such payment shall have become due: And provided further, That the provisions of this section shall not apply to any obligations or the security therefor which may be held by the Reconstruction Finance Corporation under the provisions of section 3.

Sec. 13. As used in this Act the term "rural area" shall be deemed to mean any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of fifteen hundred inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof; the term "farm" shall be deemed to mean a farm as defined in the publications of the Bureau of the Census; the term "person" shall be deemed to mean any natural person, firm, corporation, or association; the term "Territory" shall be deemed to include any insular possession of the United States.

Sec. 14. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Approved, May 20, 1936.

1

R88G

U.S. Rural electrification admin.

AUTHOR

Guide for members of cooperatives.

TITLE

1939.

LENDING NAME

~~3-27-40~~
~~7-27-40~~
12-1-41

U. S.



D. A.

One reason the farmer is economically depressed more than industry is that he has less mechanical power working for him • In a highly industrialized society, the farmer still depends in too large a degree upon manual labor • His brawny back is his power plant. Admirable as brawn is, it cannot compete with electric motors.

From Editorial in "The Cooperative Builder"

of February 18, 1939